MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

(TRIMESTER 2, 2018/2019)

UTS2612 – INTERNATIONAL TRADE AND SHIPPING LAW

(All Sections / Groups)

14 MARCH 2019
Reading Time : 2.30 p.m. - 2.45 p.m.
(15 Minutes)
Answering Time: 2.45 p.m. – 5.45 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. Students will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. Students then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 Questions only.

3. Attempt **FOUR** out of FIVE questions. All questions carry equal marks and the distribution of the marks for each question is given.

4. Students are only allowed to bring in CLEAN AND ORIGINAL COPY of the following statutes into the exam venue:
   i. Merchant Shipping Ordinance 1952
   ii. Carriage of Goods by Sea Act 1950
   iii. Sale of Goods Act 1957
   iv. Reciprocal Enforcement of Judgments Act 1958
   v. United Nations Convention on Contracts for the International Sale of Goods (CISG)

   "CLEAN" is defined to include no tagging, no annotation either by the publisher or anyone else, and no erased marking. Highlighting and underlining are also prohibited.

5. Please write all your answers in the Answer Booklet provided.

QUESTION 1

William is the Chief Executive Officer of Vanguard Shipping Ltd. (hereinafter refers as "Vanguard"). Vanguard is a leading carrier in the global container shipping industry in Europe. Vanguard is a company incorporated under the laws of United Kingdom. William and the board of directors of Vanguard is considering to register one of its fleets as a Malaysian ship in order for them to commence a joint venture business in Malaysia.

Advise William and the board of directors of Vanguard on the process to register one of Big Ben's fleet as a Malaysian ship under the Merchant Shipping Ordinance 1952.

(Total: 25 marks)

QUESTION 2

(a) What is maritime lien? Differentiate maritime lien from other types of maritime claims.

(15 marks)

(b) Discuss the Ship Arrest Procedure in Malaysia.

(10 marks)

(Total: 25 marks)

QUESTION 3

International sales of goods tend to present the same difficulties as domestic sales. There must be a valid contract with the subject matter clearly agreed and the parties respective obligations and rights should be set out in advance as far as possible to avoid problems.

In light of the above statement. Discuss briefly the requirement(s) for an agreement to be legally binding under international trade law.

(Total: 25 marks)

Continued...

QUESTION 4

(a) Discuss the different types of marine insurance.

(10 marks)

(b) In November 2015, the MV Gear was carrying sundry items from Maryland to Sunderland. MV Gear is owned by the Five Star Shipping Company. Among the goods on board was a consignment of foodstuffs, piled on a total of 15 pallets. Five Star Shipping had entered into a contract of carriage with the owner of the foodstuffs, Best Trading, and had issued a bill of lading for the consignment. The loading in Maryland was carried out by the crew of MV Gear with the captain present.

During her voyage along the Finnmark coast, MV Gear met high winds and seas. The ship was exposed to heavy rolls and pitches and at the worst, heeled 30 degrees over. The weather was substantially worse than what was to be expected from the weather forecast, but at the same time not different from what could be expected in these waters at this time of year. In the ship's upper cargo hold, several large barrels with hydraulic oil were stored. They were placed in steel baskets, three baskets on top of each other. The baskets shifted during the bad weather, and part of the barrels sprung leak. The contents ran out and down on the cargo in the lower cargo hold, which, among else, contained the foodstuffs for Best Trading. The foodstuffs on 5 of the pallets were so soiled with hydraulic oil that they were regarded as total loss and destroyed. The foodstuffs were insured with the insurance company, Secured Insurance Pte. Ltd.

Secured Insurance compensated Best Trading's loss under the cargo insurance with USD 50,000 and claimed the amount from Five Star Shipping. However, Five Star refused to bear any responsibility.

Secured Insurance claimed that the ship had not been properly stowed, given the time of year and where they were going, thus making the ship unseaworthy upon departure from Marryland. The steel baskets should have been secured better to prevent shifting, and should also not have been stowed three on top of each other. Both the captain and crew should have realised that this had not been carried out properly.

Discuss the liabilities of the parties respectively, the Five Star Shipping, the Best Trading and the Secured Insurance.

(10 marks)

(c) What is meant by "the doctrine of proximate causation" in relation to the liability of the insurer?

(5 marks)

Continued...

QUESTION 5

Define the different types of charterparty and the duties and responsibilities of a shipowner and charterer under charterparties.

(Total: 25 marks)

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